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DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

HBX STAFF Proposed Budget FY21

Standing Advisory Board

October 29, 2019



STAFF PROPOSED BUDGET- FY21

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
 - \$1.3M savings with MA partnership
- FY21 PROPOSED BUDGET **\$31,012,344** with a **\$28,956,668** PROPOSED BUDGET FOR ASSESSMENT
- **Funded through an assessment on health carriers (.90%)**



HBX STAFF PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY21 Staff Proposed Budget	31,012,344
Less:	
5 FTEs Budgeted for MA Health Connector	(650,000)
Est Admin Fees Budgeted for MA Health Connector	(250,000)
Est Contact Center Costs Budgeted for MA Health Connector	(75,000)
Est Mailing and Postage Fees Budgeted for MA Health Connector	(21,000)
DHCF Cost Allocation for Language Line	(128,020)
DHCF Share of Contact Center Rent	(631,656)
Interest and Other Fees	(300,000)
Net FY21 Budget for Assessment Calculation	\$28,956,668



COMPARISON: FY20 & FY21

	FY20 APPROVED BUDGET	FY21 PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,492,332	\$10,639,403	\$147,071	1.40%
CONSUMER EDUCATION AND OUTREACH	\$2,983,333	\$2,995,798	\$12,465	0.42%
IT (DCHealthLink.com)	\$11,898,189	\$10,746,360	(\$1,151,829)	-9.68%
AGENCY MANAGEMENT PROGRAM	\$5,660,719	\$5,862,844	\$202,125	3.57%
AGENCY FINANCIAL OPERATIONS	\$734,258	\$767,939	\$33,681	4.59%
TOTAL BUDGET	\$31,768,832**	\$31,012,344*	(\$756,488)	-2.38%

*FY21 BUDGET FOR ASSESSMENT: \$28,956,668 (2.2% decrease from FY20)

**FY20 BUDGET FOR ASSESSMENT: \$29,614,404



BUDGET COMPARISON: FY20 & FY21 FTEs

	FY20 APPROVED FTE	FY21 PROPOSED FTE	CHANGE
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	46.0	50.0	4.0
CONSUMER EDUCATION AND OUTREACH	5.0	5.0	0.0
IT (DCHealthLink.com)	29.0	32.0	3.0
AGENCY MANAGEMENT PROGRAM	18.0	19.0	1.0
AGENCY FINANCIAL OPERATIONS	3.0	3.0	0.0
TOTAL FTE	101.0*	109.0*	8.0

***5 FTEs FUNDED THROUGH AGREEMENT WITH MASSACHUSETTS HEALTH CONNECTOR**



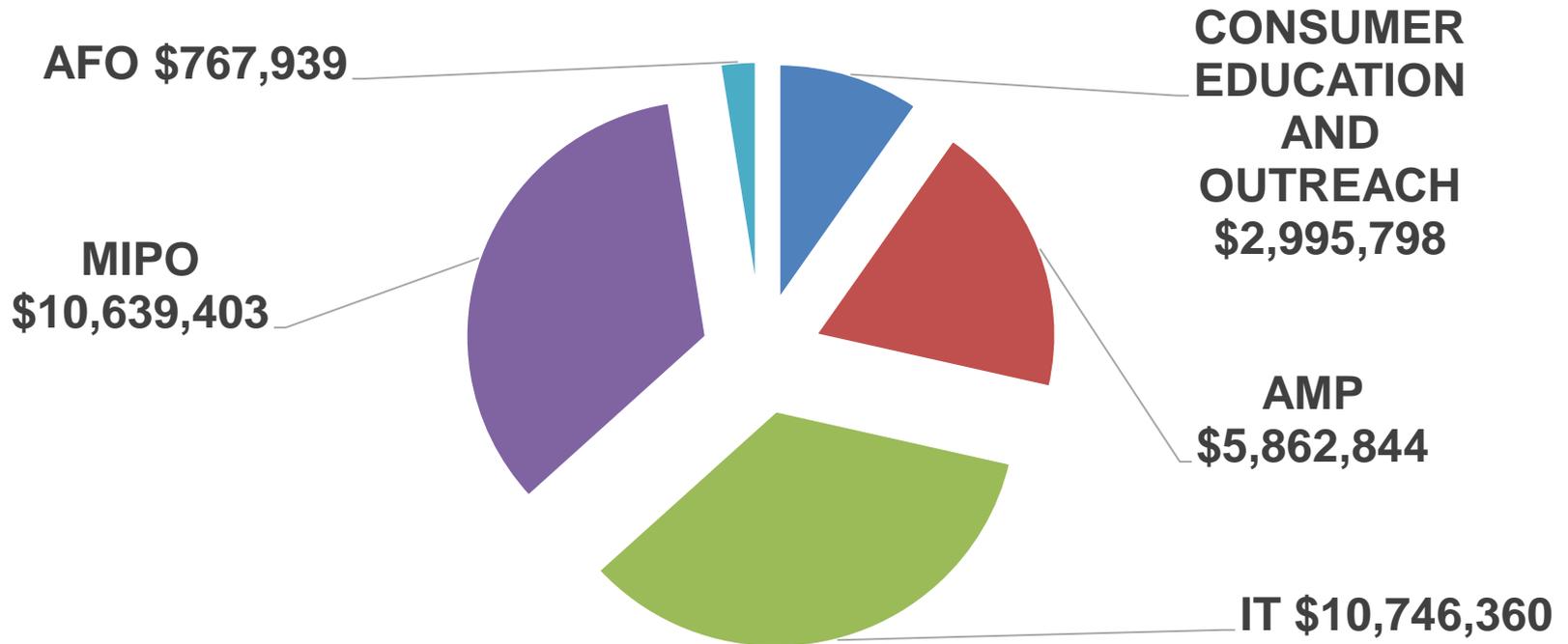
SUMMARY STAFF PROPOSED FY21 BUDGET

	BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,639,403	50.0
CONSUMER EDUCATION AND OUTREACH	\$2,995,798	5.0
IT (DCHealthLink.com)	\$10,746,360	32.0
AGENCY MANAGEMENT PROGRAM	\$5,862,844	19.0
AGENCY FINANCIAL OPERATIONS	\$767,939	3.0
TOTAL BUDGET	\$31,012,344*	109.0

***FY21 BUDGET FOR ASSESSMENT: \$28,956,668**



STAFF PROPOSED FY21 BUDGET BY PROGRAM



FY21 ASSESSMENT BASED BUDGET IS \$28,956,668



FY21 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY21 Budget
Personnel - 5 FTEs	650,000
Admin Fees	250,000
Premium Aggregation*	317,550
Contact Center	75,000
Mailing and Postage	21,000
Total	\$1,313,550

* SAVINGS ALREADY REFLECTED IN FY21 PROPOSED BUDGET



MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

**PROPOSED FY21 BUDGET: \$10,639,403 (FY20
BUDGET \$10,492,332)**

- **FY21 PERSONNEL SERVICES BUDGET FOR 50 FTEs:
\$6,009,846**
- **NON-PERSONNEL SERVICES (NPS): \$4,629,557**



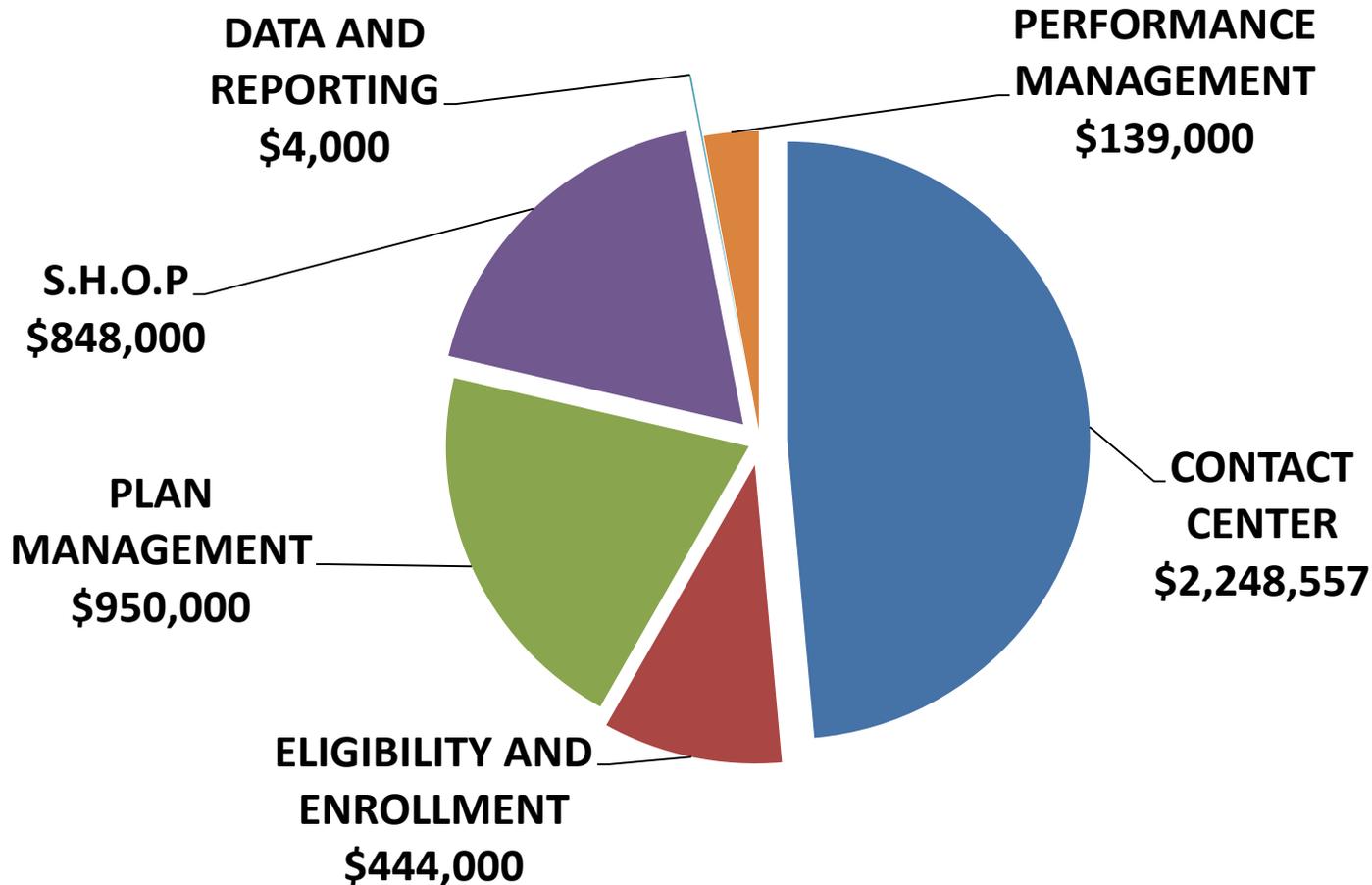
MIPO NPS BUDGET BY FUNCTION AREAS

MIPO PROPOSED NPS FY21 BUDGET: \$4,629,557

- CONTACT CENTER: \$2,248,557
- PLAN MANAGEMENT: \$950,000
- ELIGIBILITY AND ENROLLMENT: \$444,000
- S.H.O.P.: \$848,000
- PERFORMANCE MANAGEMENT(SOFTWARE, SUPPLIES, COMPUTER REFRESH, EMMA EMAIL TOOL, INTERNAL SURVEYS SOFTWARE, AND EMPLOYEE TRAINING): \$139,000



MIPO NPS BUDGET BY FUNCTION AREAS





MIPO: CONTACT CENTER

(FY21 CONTACT CENTER WITH MEDICAID UNDER REVIEW; PROPOSED BUDGET ASSUMES CURRENT 74/26 COST ALLOCATION WITH DHCF)

CONTACT CENTER PROPOSED FY21 BUDGET: \$2,248,557

- CONTACT CENTER SERVICE CONTRACT: \$1,300,000
- CALL CENTER SALESFORCE LICENSES: \$61,266
- ADMIN: \$6,922
- RENT: \$853,589 (L'ENFANT PLAZA)* (**DGS**)
- LANGUAGE LINE: \$26,780

*Full cost of rent. Assume 74% reimbursement from DHCF.



MIPO: ELIGIBILITY AND ENROLLMENT (INDIVIDUAL MARKETPLACE)

**ELIGIBILITY AND ENROLLMENT PROPOSED NPS FY21
BUDGET: \$444,000**

- **MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$15,000**
- **NOTICE PRINTING/MAILING: \$152,000**
- **AMHARIC/SPANISH TRANSLATION OF NOTICES: \$27,000**
- **CONSULTING SERVICES: \$250,000**



MIPO: PLAN MANAGEMENT

**PLAN MANAGEMENT PROPOSED NPS FY21 BUDGET:
\$950,000**

- **ACTUARIAL SERVICES: \$250,000**
- **DOCTOR DIRECTORY, HEALTH PLAN MATCH,
PRESCRIPTION DRUG FORMULARY LOOKUP TOOL,
DENTAL PLAN MATCH: \$700,000**



MIPO: SMALL BUSINESS MARKETPLACE

S.H.O.P. PROPOSED NPS FY21 BUDGET: \$848,000

- **PREMIUM AGGREGATION: \$500,000***
- **CONSULTING SERVICES: \$250,000**
- **MAILING AND POSTAGE: \$98,000****

**REFLECTS SAVINGS OF \$317,550 FROM MA HEALTH CONNECTOR PARTNERSHIP*

***INCLUDES \$21,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR*



MIPO: PERFORMANCE MANAGEMENT

**PERFORMANCE PROPOSED NPS FY21 BUDGET:
\$139,000**

- **COMPUTER REFRESH, SUPPLIES, TRAINING, NAHU:
\$115,000**
- **EMMA EMAIL TOOL: \$20,000**
- **INTERNAL SURVEY SOFTWARE: \$4,000**



CONSUMER EDUCATION AND OUTREACH

**CONSUMER EDUCATION AND OUTREACH PROPOSED
FY21 BUDGET: \$2,995,798 (FY20 BUDGET \$2,983,333)**

- **PERSONNEL SERVICES FOR 5 FTEs: \$705,798**
- **NON-PERSONNEL SERVICES: \$2,290,000**
 - **OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,000,000**
 - **OUTREACH AND MARKETING: \$1,090,000**
 - **HEALTH INSURANCE LITERACY CAMPAIGN: \$125,000**
 - **DATA RESOURCES: \$68,000**
 - **ADMIN: \$7,000**



IT (DCHealthLink.com)

IT PROPOSED FY21 BUDGET: \$10,746,360 (FY20 BUDGET \$11,898,189)

- PERSONNEL SERVICES FOR 32 FTEs: \$4,490,786 (CONVERSION OF IT CONSULTANTS TO FTEs)
- NON-PERSONNEL SERVICES BUDGET: \$6,255,574 (FY20 BUDGET \$7,868,904)
 - IT CONSULTANTS: \$5,087,337
 - SOFTWARE \$773,173
 - OCTO: \$84,644
 - ADMIN: \$60,420
 - FIXED COST (RENT & SUPPLEMENTAL HVAC): \$250,000 (*DGS update*)
- NPS SAVINGS FROM CONVERSION TO FTEs AND AUTOMATION FOR IN-HOUSE PROCESSING



AGENCY MANAGEMENT PROGRAM (AMP)

AMP PROPOSED FY21 BUDGET: \$5,862,844 (FY20 BUDGET \$5,660,719)

- **PERSONNEL SERVICES FOR 19 FTEs: \$3,424,363**
- **NON-PERSONNEL SERVICES BUDGET: \$2,438,481**
 - **FIXED COST: \$1,837,031 (INCLUDES RENT, TELEPHONE & SUPPLEMENTAL HVAC)**
 - **MOA WITH DCHR FOR HR SUPPORT SERVICES: \$168,000**
 - **MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000**
 - **MOA WITH CONTRACT APPEALS BOARD: \$25,000**
 - **LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$40,500**
 - **EMPLOYEE TRAINING: \$60,000**
 - **MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$31,000**
 - **CONSULTING SERVICES: \$75,000**
 - **ADMIN: \$151,950 (COMPUTERS, TRAVEL, OFFICE SUPPLIES, BOARD EXPENSES, ETC.)**



AGENCY FINANCIAL OPERATIONS (AFO)

AFO PROPOSED FY21 BUDGET: \$767,939 (FY20 BUDGET \$734,258)

- PERSONNEL SERVICES FOR 3 FTEs: \$603,939
- NON-PERSONNEL SERVICES: \$164,000
 - AUDITING SERVICES (INCLUDING CAFR, SMART AUDIT): \$150,000
 - EMPLOYEE TRAINING: \$2,000
 - ADMIN: \$12,000



ACA is Working in DC

- **NEAR UNIVERSAL COVERAGE:** Nearly 97% of DC residents covered
 - ✓ DC ranks **#2** in U.S. for lowest uninsured
 - ✓ Cut uninsured rate in ½ since DC Health Link opened for business
 - ✓ 5th lowest individual market premiums (CMS 2019 data)
- Small group & individual market through DC Health Link:
 - **100,000 covered lives** (private health insurance); new market for individual dental plans
 - **5,000+** District small businesses
 - **25 plans** from Kaiser and CareFirst for residents
 - **156 plans** from Aetna, United, Kaiser and CareFirst for small businesses
 - **800+** DC Health Link brokers



HBX Recent Awards and Recognition

- ✓ **Featured in the Fall 2019 AWS City on a Cloud International Announcement For Applications**
<https://aws.amazon.com/stateandlocal/cityonacloud/>
- ✓ **2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **2018 and 2017 Ranked #1 for consumer decision support tools (ranking of SBMs and FFM)**
- ✓ **Five PR News Awards in 2018 and 2019**
- ✓ **2017 AWS IT case study** on cloud solutions
(<https://aws.amazon.com/solutions/case-studies/DC-HBX/>)
- ✓ **First in the nation SBM partnership.** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)